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FISCAL IMPACT STATEMENT

LS 6089

BILL NUMBER: SB 16

NOTE PREPARED: Jan 20, 2009

BILL AMENDED:

SUBJECT: Learner's Permits and Graduated Licenses.

FIRST AUTHOR: Sen. Holdman

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill:

- (1) raises the minimum age for the issuance of a learner's permit;
- (2) raises the minimum age for the issuance of a probationary operator's license;
- (3) sets requirements for practice driving before a probationary operator's license can be issued;
- (4) prohibits a driver under the age of 18 from operating a motor vehicle while using a telecommunications device;
- (5) revises the period during which certain passengers may not accompany a probationary driver;
- (6) revises the hours when nighttime driving is prohibited by certain probationary drivers;
- (7) requires that, during the first 180 days that a probationary driver holds a driver's license, a motor vehicle driven by the probationary driver must display an indicator that the driver is newly licensed;
- (8) specifies the periods of validity of an operator's learner permit;
- (9) makes it a Class D infraction for a person to be a passenger in a motor vehicle operated by a probationary driver under certain circumstances if there is not another individual who: (A) is at least a certain age and holds one of certain types of driver's licenses; or (B) is a certified driver education instructor; present in the front seat of the motor vehicle;
- (10) requires the State Board of Education (SBOE) and the Criminal Justice Institute (CJI) to adopt rules specifying that the classroom portion of driver's education may not be provided to a child less than 15 years of age;
- (11) makes the holder of a probationary license ineligible for pretrial diversion or deferral with respect to certain alleged offenses and infractions involving motor vehicles;
- (12) makes corresponding changes and conforming amendments; and
- (13) removes outdated language.

(The introduced version of this bill was prepared by the Interim Study Committee on Learner's Permits and Graduated Driver's Licenses.)

Effective Date: Upon passage; July 1, 2009.

Explanation of State Expenditures: (7) Requiring the display of an indicator that the driver is newly licensed will mean additional costs to the BMV for the production of such an indicator. The costs have been estimated at between \$0.50 and \$1. The fund affected is the MVHA. Using 123,000 new drivers annually, BMV expenditures could range between \$61,500 and \$123,000 per year.

(10) Requiring the State Board of Education (SBOE) and the Criminal Justice Institute (CJI) to adopt rules will have no fiscal impact and will be accomplished through existing rule-making procedures. The funds affected are the state General Fund for the SBOE and the MVHA for the CJI.

(11) Making the holder of a probationary license ineligible for pretrial diversion or deferral will reduce the number of individuals in the program and have an indeterminable impact on the costs associated with the program. Denial of the pretrial diversion program likely will result in other penalties handed down to the offender, either probation, suspension, or incarceration.

Explanation of State Revenues: *Summary:* The increases in age for both the operator's license and the learner's permit will result in the shifting of revenue forward from FY 2010 to years thereafter. As a result, total revenues would be reduced by an estimated \$811,333 in FY 2010. The affected funds are described in the following table.

Fund	FY 2010 Revenue Reduction	Uses
MVHA Operator's license Learner's permit	\$7,3667 \$30,750	Construction, reconstruction, and maintenance, along with supporting the BMV, the State Police, the Dept. of Transportation, and the Department of State Revenue.
Crossroads 2000 Fund Operator's license Learner's permit	\$36,833 \$123,000	Bonding for highway projects.
Anti-Terrorism Fund Operator's license Learner's permit	\$23,021 \$76,878	Supporting the Integrated Public Safety Commission.
BMV Technology Fund Operator's license Learner's permit	\$9,208 \$30,750	Upgrading technology at the BMV.
State License Branch Fund Operator's license Learner's permit	\$115,104 \$292,125	Supporting the operation of the licenses branches throughout the state.
Total Reduction in Fees	\$811,333	

(7) Requiring that the display of an indicator that the driver is newly licensed will mean additional revenue for the BMV. The amount of additional revenue will depend upon the number of newly licensed drivers required to display the indicator. Assuming 123,000 drivers, revenue would amount to \$246,000 per year.

The fee is \$2 and is deposited into the MVHA.

Penalty Provision: The bill provides for a Class D infraction. If additional court cases occur and infraction judgments and court fees are collected, revenue to the state General Fund may increase. The maximum judgment for a Class D infraction is \$25, which is deposited in the state General Fund.

If court actions are filed and a judgment is entered, a court fee of \$70 would be assessed, 70% of which would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court. In addition, some or all of the document storage fee (\$2), automated record keeping fee (\$7), judicial salaries fee (\$18), the public defense administration fee (\$3), the court administration fee (\$5), and the judicial insurance *adjustment* fee (\$1) are deposited into the state General Fund.

Background: This bill increases the age at which individuals become eligible for an operator's license in future years. The fee for a four-year operator's license is \$14. Annually, approximately 52,000 individuals, or about 4,333 monthly, obtain their operator's license when they are 16 years of age. Assuming that 85% of these 16-year-olds would otherwise obtain their operator's license shortly after becoming 16 years and 30 days, the five-month increase in eligibility age for operator's licenses will tend to shift these revenues forward. The increase in eligibility age would tend to shift license revenues forward by five months in FY 2010 and years thereafter. As a result, revenues would be reduced by an estimated \$257,833 in FY 2010.

This bill also increases the age at which individuals become eligible for a learner's permit. The increase in eligibility age would tend to shift learner's permit revenues forward by six months in FY 2010 and years thereafter. The fee for a learner's permit is \$9. Annually, approximately 123,000 individuals, or about 10,250 monthly, obtain their learner's permit when they are 15 years of age. The six-month increase in eligibility age for a learner's permit will tend to shift these revenues forward. As a result, revenues would be reduced by an estimated \$553,500 in FY 2010.

Explanation of Local Expenditures:

Explanation of Local Revenues: *Penalty Provision:* If additional court actions are filed and a judgment is entered, local governments would receive revenue from the following sources. The county general fund would receive 27% of the \$70 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. Additional fees may be collected at the discretion of the judge and depending upon the particular type of case.

State Agencies Affected: SBOE; BMV; DJI; Department of Transportation, State Police, and Department of State Revenue as recipients of MVHA distributions.

Local Agencies Affected: Recipients of MVHA distributions; Trial courts, local law enforcement agencies.

Information Sources: BMV driver's license data for CY 2006 and CY 2007.

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